

State of Hawai'i  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
Division of State Parks  
Honolulu, Hawai'i 96813

April 25, 2008

Board of Land and Natural Resources  
State of Hawai'i  
Honolulu, Hawai'i

SUBJECT: Request for Approval to Assign Lease S-5287 held by Grace V. George, now known as Grace V. Anthony, to the Trustees of Grace V. Anthony Revocable Trust, Ahupua'a 'O Kahana State Park, Kahana, O'ahu

Act 5 enacted by the State Legislature in 1987 authorized the Department of Land and Natural Resources to enter into residential leases at Kahana State Park. Based on residential permits issued to families and individuals living in Kahana in 1970 when the State acquired the *ahupua'a*, a total of 31 residential leases were signed in 1993. Each lessee was offered a \$50,000 mortgage by the State to construct a new house on the subdivided lease lots. These mortgages are administered by the Hawaii Housing Finance and Development Corporation (HHFDC). In lieu of a lease rent, each lessee provides 25 hours of interpretive service each month by participating in park programs that promote the concept of a "cultural living park".

Lease S-5287 for Lot B-5 on Trout Farm Road was initially executed with Mr. Sam George. Upon his death, the lease was assigned to his wife, Grace George who built a new house on the lot. Mrs. George subsequently remarried and is now known as Grace V. Anthony.

This is a request to assign the lease to Ms. Anthony's Trust. Beneficiaries of the Trust are a life estate to James M. Anthony, then the property goes to Uale Rea-George. If Uale is unable to assume the responsibility, then the property goes to Grace L. George or Allen K. George. Staff understands the intent of the life estate to James M. Anthony is to allow Mr. Anthony to reside on the premises, regardless of who acquires the leasehold.

Staff has reviewed this request and consulted with the Department of Attorney General. Staff believes that each of the beneficiaries of the trust is or could be qualified to hold the lease under the assignment provisions of the lease. Staff further notes that testamentary disposition of the leases presents some difficult issues. Staff has encouraged lessees to consider these issues and commends Ms. George for having done so.

**ITEM E-3**

Staff and the Department of Attorney General have informed lessee that if the Board approves this assignment, such approval does not extend to any change in beneficiaries, or any other assignment, and the assignment from the trust to any beneficiaries will also require approval of the Board.

RECOMMENDATION:

That the Board approve the transfer of Lease No. S-5287 for Lot B-5 on Trout Farm Road, Ahupua'a O' Kahana State Park, Kahana, Oahu, from Grace V. George, now known as Grace V. Anthony, to Grace V. Anthony as Trustee and beneficiaries as follows:

Grace V. George, and upon her death, Uale Rea-George or, if Uale is unable to assume the responsibility, to Grace L. George or Allen K. George, subject to a life estate in favor of James Anthony, all pursuant to the present terms of the trust. Any change in beneficiaries and any other or further assignment are subject to Board approval.

The approval is subject to review and approval by the Attorney General.

Respectfully submitted,



DANIEL S. QUINN  
State Parks Administrator

APPROVED FOR SUBMITTAL:



LAURA H. THIELEN, Chairperson